

Department of Administration

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY PROGRAM					
Administrative Rules	516,700	516,400	517,700	536,500	527,300
Director's Office	1,318,700	1,194,800	1,309,100	1,326,900	1,290,800
Info. Tech. & Communication	4,336,900	3,936,700	3,932,800	4,203,300	4,042,600
ITRMC	726,100	502,600	729,500	673,300	661,400
Office of Insurance Management	1,293,700	1,259,100	1,290,800	1,356,100	1,336,100
Public Works	15,162,100	13,576,100	13,162,100	15,285,400	19,160,400
Purchasing	3,468,800	3,083,500	3,338,400	3,554,000	3,443,500
Total:	26,823,000	24,069,200	24,280,400	26,935,500	30,462,100
BY FUND CATEGORY					
General	4,725,200	4,408,900	3,107,500	4,687,200	3,039,900
Dedicated	22,097,800	19,660,000	21,172,900	22,248,300	27,422,200
Federal	0	300	0	0	0
Total:	26,823,000	24,069,200	24,280,400	26,935,500	30,462,100
Percent Change:		(10.3%)	0.9%	10.9%	25.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,131,300	8,332,200	9,085,900	9,336,500	9,233,900
Operating Expenditures	12,171,000	10,324,300	11,245,700	13,479,000	15,897,200
Capital Outlay	5,520,700	5,412,700	3,948,800	4,120,000	5,331,000
Total:	26,823,000	24,069,200	24,280,400	26,935,500	30,462,100
Full-Time Positions (FTP)	173.60	173.60	173.60	173.10	173.10

Division Description

OFFICE OF ADMINISTRATIVE RULES: Structures, promulgates, and disseminates all administrative rules subject to the Idaho Administrative Procedure Act.

DIRECTOR'S OFFICE: Provides administrative, fiscal, legal, and human resources services to the Department. Administers the Industrial Special Indemnity Fund.

DIVISION OF INFORMATION TECHNOLOGY & COMMUNICATION: Operates the IDANET, coordinates Internet, electronic mail, telephone, data and video transmission services, and the statewide microwave system.

INFORMATION TECHNOLOGY RESOURCE MANAGEMENT COUNCIL (ITRMC): Facilitates a centralized and coordinated approach to the design, procurement and implementation of the state's information technology and telecommunications systems.

OFFICE OF INSURANCE MANAGEMENT: Negotiates and administers medical, dental, life and disability insurance programs and the Integrated Behavioral Health Program for state employees, provides property and casualty insurance services to state government via insurance and self-insurance.

DIVISION OF PUBLIC WORKS: Develops and oversees construction and renovation projects for state buildings, and manages leases for all state-leased office space.

DIVISION OF PURCHASING: Acquires property for all state agencies through the competitive bidding process, provides document management services, assists in the donation of surplus federal property to state and local government and eligible non-profits, and provides mail services to most state agencies.

Department of Administration

Analyst: Freeman

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	173.60	3,107,500	24,280,400	173.60	3,107,500	24,280,400
Budget Reduction (Neg. Supp.)	0.00	(108,800)	(108,800)	0.00	(108,800)	(108,800)
FY 2003 Total Appropriation	173.60	2,998,700	24,171,600	173.60	2,998,700	24,171,600
Expenditure Adjustments	(0.50)	0	2,200	(0.50)	0	2,200
FY 2003 Estimated Expenditures	173.10	2,998,700	24,173,800	173.10	2,998,700	24,173,800
Removal of One-Time Expenditures	0.00	0	(166,800)	0.00	0	(166,800)
Base Adjustments	0.00	0	0	0.00	0	0
Restore Budget Reduction	0.00	108,800	108,800	0.00	0	0
FY 2004 Base	173.10	3,107,500	24,115,800	173.10	2,998,700	24,007,000
Personnel Cost Rollups	0.00	24,800	129,800	0.00	28,900	151,400
Inflationary Adjustments	0.00	28,700	268,400	0.00	0	0
Replacement Items	0.00	95,200	590,400	0.00	0	495,200
Nonstandard Adjustments	0.00	80,800	104,400	0.00	(24,800)	(10,800)
Change in Employee Compensation	0.00	14,300	77,900	0.00	0	0
Fund Shifts	0.00	37,100	0	0.00	37,100	0
FY 2004 Program Maintenance	173.10	3,388,400	25,286,700	173.10	3,039,900	24,642,800
1. Elected Official Rent	0.00	1,277,200	1,277,200	0.00	0	0
2. Utility Costs	0.00	0	350,000	0.00	0	350,000
3. Increase Internet Bandwidth Capacity	0.00	21,600	21,600	0.00	0	0
4. ITRMC Salary Equity	0.00	0	0	0.00	0	0
5. Borah Federal Building	0.00	0	0	0.00	0	595,000
6. Purchase MK Plaza	0.00	0	0	0.00	0	4,874,300
FY 2004 Total	173.10	4,687,200	26,935,500	173.10	3,039,900	30,462,100
Change from Original Appropriation	(0.50)	1,579,700	2,655,100	(0.50)	(67,600)	6,181,700
% Change from Original Appropriation		50.8%	10.9%		(2.2%)	25.5%

Department of Administration

Analyst: Freeman

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	173.60	3,107,500	21,172,900	0	24,280,400

Budget Reduction (Neg. Supp.)

Reflects the Governor's 3.5% General Fund holdback. The agency plan calls for a reduction of \$9,000 from the Director's Office (\$1,200 personnel and \$7,800 operating), \$28,300 in operating expenses from Information Technology, \$2,200 in personnel costs from ITRMC, \$35,800 from the Division of Public Works (\$28,200 operating and \$7,600 capital), and \$33,500 in operating expenses from Purchasing.

Agency Request	0.00	(108,800)	0	0	(108,800)
----------------	------	-----------	---	---	-----------

The Governor recommends that the General Fund holdback, as directed by Executive Orders 2002-08 and 2002-09, be incorporated as a negative supplemental appropriation for FY 2003.

Governor's Recommendation	0.00	(108,800)	0	0	(108,800)
---------------------------	------	-----------	---	---	-----------

FY 2003 Total Appropriation					
Agency Request	173.60	2,998,700	21,172,900	0	24,171,600
Governor's Recommendation	173.60	2,998,700	21,172,900	0	24,171,600

Expenditure Adjustments

Reflects FTP adjustments between programs to reconcile with Wage and Salary Report (.5 FTP is reallocated to the Capitol Commission which is appropriated separately). Also reflects a \$2,200 one-time non-cog increase for the Regional Planning Committee Support Funding program.

Agency Request	(0.50)	0	0	2,200	2,200
----------------	--------	---	---	-------	-------

Governor's Recommendation	(0.50)	0	0	2,200	2,200
---------------------------	--------	---	---	-------	-------

FY 2003 Estimated Expenditures					
Agency Request	173.10	2,998,700	21,172,900	2,200	24,173,800
Governor's Recommendation	173.10	2,998,700	21,172,900	2,200	24,173,800

Removal of One-Time Expenditures

Agency Request	0.00	0	(164,600)	(2,200)	(166,800)
----------------	------	---	-----------	---------	-----------

Governor's Recommendation	0.00	0	(164,600)	(2,200)	(166,800)
---------------------------	------	---	-----------	---------	-----------

Base Adjustments

Agency wide: Reflects program transfers totaling \$24,800 from Director's Office (\$11,300 General Funds), ITRMC (\$3,400 dedicated funds), and Office of Insurance Management (\$10,100 dedicated funds) to Information Technology program to utilize new methodology for Department overhead allocation based upon the number of FTPs. The need for this program transfer is contingent upon the approval of the fund shift on page 6-10.

Information Technology: Reflects transfer of spending authority from OE to PC in the amount of \$19,900 to allow reclassification of IT analyst position to Sr. IT Integration Analyst.

ITRMC: Reflects one-time expenditure object transfer of \$75,000 in operating expenses from ITRMC to Purchasing (dedicated funds) for the purchase of Contract Management Software.

Agency Request	0.00	0	0	0	0
----------------	------	---	---	---	---

Information Technology base adjustment not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
---------------------------	------	---	---	---	---

Department of Administration

Analyst: Freeman

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Restore Budget Reduction					
Restores the Governor's 3.5% holdback.					
Agency Request	0.00	108,800	0	0	108,800
<i>The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Base					
Agency Request	173.10	3,107,500	21,008,300	0	24,115,800
Governor's Recommendation	173.10	2,998,700	21,008,300	0	24,007,000
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	24,800	105,000	0	129,800
<i>The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.</i>					
Governor's Recommendation	0.00	28,900	122,500	0	151,400
Inflationary Adjustments					
Includes a general inflationary increase of 2.4% in operating expenditures.					
Agency Request	0.00	28,700	239,700	0	268,400
<i>The Governor recommends no increase for inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Administration

Analyst: Freeman

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
DIRECTOR'S OFFICE -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$28,300).					
ADMINISTRATIVE RULES -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$6,200).					
INFORMATION TECHNOLOGY RESOURCE MANAGEMENT COUNCIL -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$7,800).					
INFORMATION TECHNOLOGY -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$62,300), upgrade maintenance agreements on State Wide Area Network (\$46,600 on-going General Funds). Capital Outlay: 2 battery banks to support the state's microwave and 2-way radio systems (\$18,000), 1 thermal generator (\$8,000), 4 laptops (\$28,000), and 3 4X4 vehicles (\$105,000).					
PUBLIC WORKS -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$84,000). Capital Outlay: 1 photocopy machine, 2 vehicles (\$40,000), 1 forklift (\$15,000), 1 security transportation cart (\$1,000), 1 mower (\$1,000), and upgrade security monitoring equipment (\$18,000).					
PURCHASING -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$56,200). Capital Outlay: 1 flatbed trailer (\$20,000), 1 truck (3 year lease/purchase) (\$18,400).					
INSURANCE MANAGEMENT -- Operating Expenses: Upgrade Department network operating system and e-mail system to Microsoft applications per ITRMC standards (\$15,600).					
Agency Request	0.00	95,200	495,200	0	590,400
<i>General Fund replacement items not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	495,200	0	495,200
Nonstandard Adjustments					
Reflects an adjustment in building services space charge. Reflects an adjustment in Attorney General, Controller and Treasurer fees pursuant to the Statewide Cost Allocation Plan. Also reflects an adjustment for Risk Management property/casualty rates.					
Agency Request	0.00	80,800	23,600	0	104,400
<i>The Governor recommends no adjustment to building space charges for state agencies.</i>					
Governor's Recommendation	0.00	(24,800)	14,000	0	(10,800)
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	14,300	63,600	0	77,900
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Administration

Analyst: Freeman

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
-------------------------	-----	---------	-----------	---------	-------

Fund Shifts

This decision unit would shift operating expenses relating to Department overhead from dedicated funds to General Funds to reflect a new methodology for Department overhead allocation using FTPs (\$37,100). Also reflects a revenue neutral fund shift of \$3,600 between dedicated funds to correct fund allocation in FY03 budget.

Agency Request	0.00	37,100	(37,100)	0	0
Governor's Recommendation	0.00	37,100	(37,100)	0	0

FY 2004 Program Maintenance

Agency Request	173.10	3,388,400	21,898,300	0	25,286,700
Governor's Recommendation	173.10	3,039,900	21,602,900	0	24,642,800

1. Elected Official Rent

Public Works

The Department of Administration receives a General Fund appropriation to cover costs associated with office and storage space for elected officials and their staff. Historically, the Division of Public Works (DPW) has used the General Funds it receives for elected officials rent to make bond payments. It does so only as a matter of cash flow -- DPW does not receive sufficient rent revenue from other agencies to make the bond payments when they are due at the beginning of each fiscal year. Otherwise, bond payments could just as easily be paid out of rent proceeds from other agencies.

In FY 2002, the bonds on three state office buildings matured, and in FY 2003 the elected officials appropriation was reduced by \$1,200,000. The rationale behind the reduction was that since the bonds were paid off, the total costs could be reduced by that amount. However, as a result of the budget reduction, the effective rental rate for elected officials is \$3.66/Sq. Ft. (compared to a rental rate of \$9.90/Sq. Ft. for all other state agencies). This enhancement would increase the elected official rental appropriation to reflect the current rate charged to all agencies.

Agency Request	0.00	1,277,200	0	0	1,277,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

2. Utility Costs

Public Works

This enhancement would provide the Department of Administration with \$350,000 in ongoing dedicated fund spending authority to cover electrical and natural gas rate increases. Rental rates have not increased since 1995, while the Department has experienced increasing utility costs. Based on usage trends, current rates, potential increased usage estimates, and the potential for further increase in both electricity and natural gas rates, the Department estimates that an additional \$350,000 in spending authority will be required for utilities expenses in FY 2004.

Agency Request	0.00	0	350,000	0	350,000
Governor's Recommendation	0.00	0	350,000	0	350,000

3. Increase Internet Bandwidth Capacity

Information Technology & Communications

The Department of Administration maintains a single point of entry to the Internet. Internet usage by the state has increased significantly and has severely impacted the carrying capacity of the current Internet connection. This enhancement would provide \$21,600 in ongoing General Funds to increase the Internet connection capacity and allow some growth beyond current usage levels.

Agency Request	0.00	21,600	0	0	21,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Administration

Analyst: Freeman

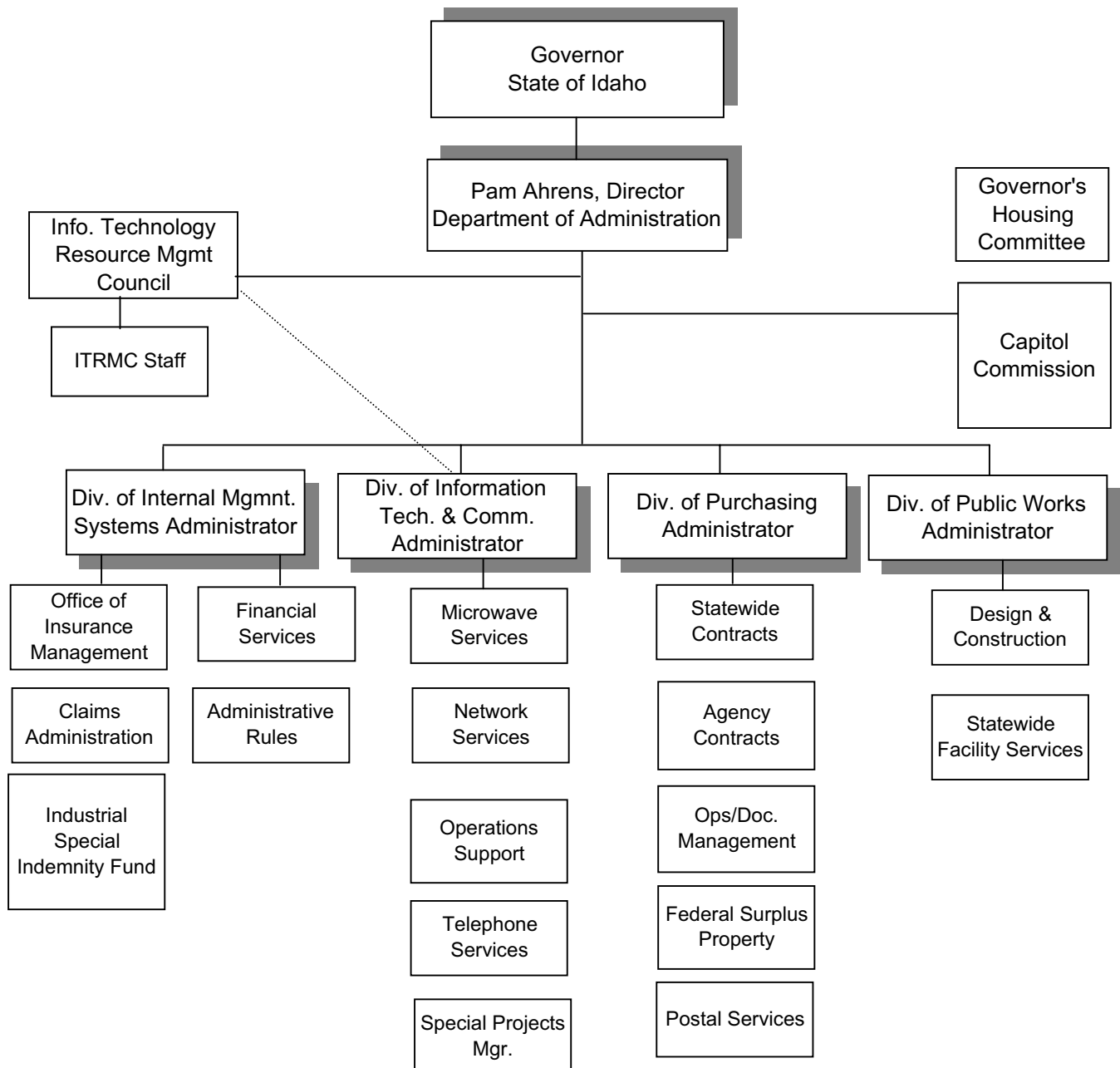
Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. ITRMC Salary Equity					
Information Technology Resource Mgmt Council					
This enhancement would authorize an expenditure object transfer of \$23,000 in dedicated spending authority from operating expenditures to personnel costs to enable an adjustment to salaries of the ITRMC staff to bring them more in line with other state agency IT personnel salaries. This enhancement would not result in any increase in allocation to state agencies.					
Agency Request	0.00	0	0	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Borah Federal Building					
Public Works					
Agency Request	0.00	0	0	0	0
<i>The federal General Services Administration has contacted the State regarding the possibility of transferring ownership of the Borah Federal Building, located at 304 North Eighth St. in Boise, to the State. There is a high probability that the building could be acquired at no cost. This enhancement would provide spending authority necessary for operating expenses which would be incurred were the state to take ownership.</i>					
Governor's Recommendation	0.00	0	595,000	0	595,000
6. Purchase MK Plaza					
Public Works					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative: The Governor recommends funds to cover FY 2004 bond payment for approximately \$64,000,000 over 20 years to purchase the MK Plaza located on Park Blvd. in Boise.</i>					
Governor's Recommendation	0.00	0	4,874,300	0	4,874,300
FY 2004 Total					
Agency Request	173.10	4,687,200	22,248,300	0	26,935,500
Governor's Recommendation	173.10	3,039,900	27,422,200	0	30,462,100
Agency Request					
Change from Original App	(0.50)	1,579,700	1,075,400	0	2,655,100
% Change from Original App	(0.3%)	50.8%	5.1%		10.9%
Governor's Recommendation					
Change from Original App	(0.50)	(67,600)	6,249,300	0	6,181,700
% Change from Original App	(0.3%)	(2.2%)	29.5%		25.5%

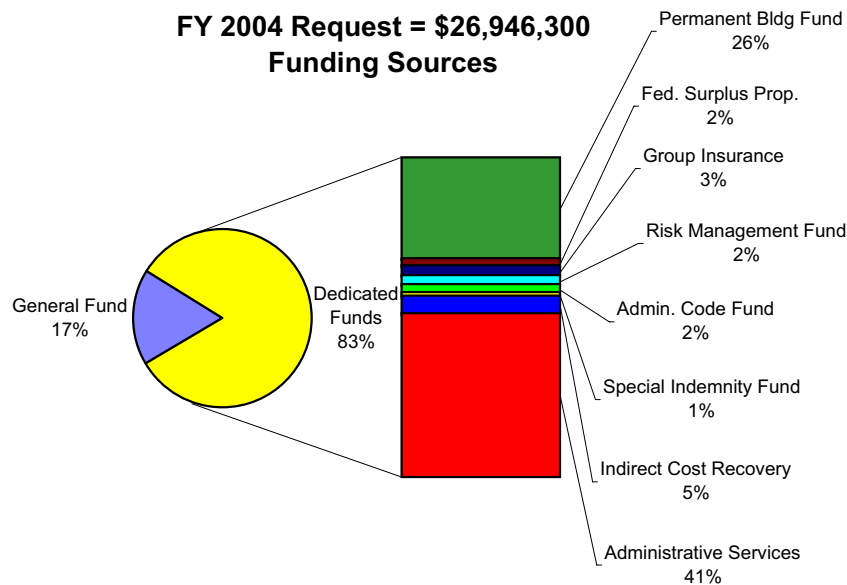
Department of Administration

Issues & Information

Analyst: Freeman

Organizational Chart





DEDICATED FUND SOURCES and USES

Permanent Building Fund

Source: Beer tax, income tax filing tax, lottery earnings, plus a portion of the cigarette and sales tax.

Use: Used to build and maintain structures of Idaho state government.

Federal Surplus Property

Source: Fees charged to public entities that acquire surplus federal property.

Use: Pays for the acquisition, warehousing, and distribution of surplus federal property and office operation costs.

Group Insurance

Source: A monthly per employee payment made by each agency which is combined with monthly premiums paid by employees and retirees.

Use: Provides medical and dental benefits to state employees and their dependents and office operation costs.

Retained Risk Fund

Source: Agencies are billed for their share of property and casualty insurance coverage.

Use: Pays premiums to insurers, uninsured losses, and offers operation costs.

Administrative Code Fund

Source: Fees charged to state agencies that are promulgating administrative rules, agencies that have rules contained in administrative code, and anyone purchasing printed rules.

Use: Pays for all costs associated with the rule-making process.

Industrial Special Indemnity Fund

Source: An annual assessment on workers compensation insurers based on their pro-rata share of the total benefits paid.

Use: Pays benefits to totally and permanently disabled "second injury" claimants and office operation costs.

Indirect Cost Recovery Fund

Source: Charges to other programs within the Department to allocate administrative overhead costs.

Use: Pay salaries, operating costs, and capital equipment for centralized administrative functions.

Administrative Services

Source: The Department of Administration sells products and services to other state agencies. This fund accounts for those transactions and is composed of many fund details.

Use: Pays for Department goods and services sold to other state agencies.